

**EIGHTY-THIRD GENERAL ASSEMBLY  
2010 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

MARCH 9, 2010

**HOUSE FILE 2324**

**H-8351**

1 Amend the amendment, **H-8165**, to **House File 2324** as  
2 follows:

3 1. Page 1, lines 9 and 10, by striking <December  
4 21, 2011> and inserting <July 1, 2013>

5 2. By renumbering as necessary.

**By** ZIRKELBACH of Jones

**H-8351** FILED MARCH 8, 2010

H-8352

1 Amend House File 2327 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <DIVISION I

5 IOWA COMPREHENSIVE PETROLEUM

6 UNDERGROUND STORAGE TANK FUND

7 Section 1. Section 455B.474, subsection 1,  
8 paragraph d, subparagraph (2), unnumbered paragraph 1,  
9 Code Supplement 2009, is amended to read as follows:

10 A site shall be classified as either high risk,  
11 low risk, or no action required, as determined by a  
12 certified groundwater professional.

13 Sec. 2. Section 455B.474, subsection 1, paragraph  
14 d, subparagraph (2), subparagraph division (a),  
15 unnumbered paragraph 1, Code Supplement 2009, is  
16 amended to read as follows:

17 A site shall be considered high risk when ~~it is~~  
18 ~~determined~~ a certified groundwater professional  
19 determines that contamination from the site presents an  
20 unreasonable risk to public health and safety or the  
21 environment under any of the following conditions:

22 Sec. 3. Section 455B.474, subsection 1, paragraph  
23 d, subparagraph (2), subparagraph division (b),  
24 unnumbered paragraph 1, Code Supplement 2009, is  
25 amended to read as follows:

26 A site shall be considered low risk ~~under any of~~  
27 ~~the following conditions~~ when a certified groundwater  
28 professional determines that low risk conditions exist  
29 as follows:

30 Sec. 4. Section 455B.474, subsection 1, paragraph  
31 d, subparagraph (2), subparagraph divisions (c) and  
32 (e), Code Supplement 2009, are amended to read as  
33 follows:

34 (c) A site shall be considered no action required  
35 ~~if~~ and a no further action certificate shall be  
36 issued by the department when a certified groundwater  
37 professional determines that contamination is below  
38 action level standards and high or low risk conditions  
39 do not exist and are not likely to occur.

40 (e) A site cleanup report which classifies a  
41 site as either high risk, low risk, or no action  
42 required shall be submitted by a groundwater  
43 professional to the department with a certification  
44 that the report complies with the provisions of this  
45 chapter and rules adopted by the department. The  
46 report shall be determinative of the appropriate  
47 classification of the site. ~~However, if the report~~  
48 ~~is found to be~~ and the site shall be classified as  
49 indicated by the groundwater professional unless,  
50 within ninety days of receipt by the department,

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1 the department identifies material information in  
2 the report that is inaccurate or incomplete, and  
3 if based upon inaccurate or incomplete information  
4 in the report the risk classification of the site  
5 cannot be reasonably determined by the department  
6 based upon industry standards, the department shall.  
7 If the department determines that the site cleanup  
8 report is inaccurate or incomplete, the department  
9 shall notify the groundwater professional of the  
10 inaccurate or incomplete information within ninety  
11 days of receipt of the report and shall work with  
12 the groundwater professional to obtain the correct  
13 information or additional information necessary  
14 to appropriately classify the site. A groundwater  
15 professional who knowingly or intentionally makes a  
16 false statement or misrepresentation which results in  
17 a mistaken classification of a site shall be guilty of  
18 a serious misdemeanor and shall have the groundwater  
19 professional's certification revoked under this  
20 section.

21 Sec. 5. Section 455B.474, subsection 1, paragraph  
22 f, subparagraphs (5), (6), and (7), Code Supplement  
23 2009, are amended to read as follows:

24 (5) A corrective action design report submitted by  
25 a groundwater professional shall be accepted by the  
26 department and shall be primarily relied upon by the  
27 department to determine the corrective action response  
28 requirements of the site. However, if ~~the corrective~~  
29 ~~action design report is found to be within ninety days~~  
30 of receipt of a corrective action design report, the  
31 department identifies material information in the  
32 corrective action design report that is inaccurate or  
33 incomplete, and if based upon information in the report  
34 the appropriate corrective action response cannot be  
35 reasonably determined by the department based upon  
36 industry standards, the department shall notify the  
37 groundwater professional that the corrective action  
38 design report is not accepted, and the department  
39 shall work with the groundwater professional to  
40 correct the material information or to obtain the  
41 additional information necessary to appropriately  
42 determine the corrective action response requirements  
43 as soon as practicable. A groundwater professional  
44 who knowingly or intentionally makes a false statement  
45 or misrepresentation which results in an improper or  
46 incorrect corrective action response shall be guilty of  
47 a serious misdemeanor and shall have the groundwater  
48 professional's certification revoked under this  
49 section.

50 (6) Low risk sites shall be monitored as deemed

1 necessary by the department consistent with industry  
2 standards. Monitoring shall not be required on a site  
3 which has received a no further action certificate.  
4 A site that has maintained less than the applicable  
5 target level for four consecutive sampling events shall  
6 be reclassified as a no further action site regardless  
7 of exit monitoring criteria and guidance.

8 (7) An owner or operator may elect to proceed with  
9 additional corrective action on the site. However,  
10 any action taken in addition to that required pursuant  
11 to this paragraph "f" shall be solely at the expense  
12 of the owner or operator and shall not be considered  
13 corrective action for purposes of section 455G.9,  
14 unless otherwise previously agreed to by the board and  
15 the owner or operator. Corrective action taken by an  
16 owner or operator due to the department's failure to  
17 meet the time requirements provided in subparagraph  
18 (5), shall be considered corrective action for purposes  
19 of section 455G.9.

20 Sec. 6. Section 455B.474, subsection 1, paragraph  
21 h, subparagraphs (1) and (3), Code Supplement 2009, are  
22 amended to read as follows:

23 (1) A no further action certificate shall be  
24 issued by the department for a site which has been  
25 classified as a no further action site or which  
26 has been reclassified pursuant to completion of a  
27 corrective action plan or monitoring plan to be a no  
28 further action site by a groundwater professional,  
29 unless within ninety days of receipt of the report  
30 submitted by the groundwater professional classifying  
31 the site, the department notifies the groundwater  
32 professional that the report and site classification  
33 are not accepted and the department identifies  
34 material information in the report that is inaccurate  
35 or incomplete which causes the department to be  
36 unable to accept the classification of the site.  
37 An owner or operator shall not be responsible for  
38 additional assessment, monitoring, or corrective  
39 action activities at a site that is issued a no further  
40 action certificate unless it is determined that the  
41 certificate was issued based upon false material  
42 statements that were knowingly or intentionally made  
43 by a groundwater professional and the false material  
44 statements resulted in the incorrect classification of  
45 the site.

46 (3) A certificate shall be recorded with the county  
47 recorder. The owner or operator of a site who has been  
48 issued a certificate under this paragraph "h" or a  
49 subsequent purchaser of the site shall not be required  
50 to perform further corrective action ~~solely~~ because

1 action standards are changed at a later date. A  
2 certificate shall not prevent the department from  
3 ordering corrective action of a new release.

4 Sec. 7. Section 455G.3, Code 2009, is amended by  
5 adding the following new subsections:

6 NEW SUBSECTION. 6. For the fiscal year beginning  
7 July 1, 2010, and each fiscal year thereafter, there  
8 is appropriated from the Iowa comprehensive petroleum  
9 underground storage tank fund to the department of  
10 natural resources two hundred thousand dollars for  
11 purposes of technical review support to be conducted  
12 by nongovernmental entities for leaking underground  
13 storage tank assessments.

14 NEW SUBSECTION. 7. For the fiscal year beginning  
15 July 1, 2010, there is appropriated from the Iowa  
16 comprehensive petroleum underground storage tank fund  
17 to the department of natural resources one hundred  
18 thousand dollars for purposes of database modifications  
19 necessary to accept batched external data regarding  
20 underground storage tank inspections conducted by  
21 nongovernmental entities.

22 NEW SUBSECTION. 8. For the fiscal year beginning  
23 July 1, 2010, and each fiscal year thereafter, there  
24 is appropriated from the Iowa comprehensive petroleum  
25 underground storage tank fund to the department of  
26 agriculture and land stewardship two hundred fifty  
27 thousand dollars for the sole and exclusive purpose  
28 of inspecting fuel quality at pipeline terminals  
29 and renewable fuel production facilities, including  
30 salaries, support, maintenance, and miscellaneous  
31 purposes.

32 NEW SUBSECTION. 9. Beginning September 1, 2010,  
33 the board shall administer safety training, hazardous  
34 material training, environmental training, and  
35 underground storage tank operator training in the  
36 state to be provided by an entity approved by the  
37 department of natural resources. The training provided  
38 pursuant to this subsection shall be available to any  
39 tank operator in the state at an equal and reasonable  
40 cost and shall not be conditioned upon any other  
41 requirements. Each fiscal year, the board shall not  
42 expend more than two hundred fifty thousand dollars  
43 from the Iowa comprehensive petroleum underground  
44 storage tank fund for purposes of administering this  
45 subsection.

46 Sec. 8. Section 455G.4, subsection 1, paragraph a,  
47 subparagraphs (3) and (5), Code Supplement 2009, are  
48 amended to read as follows:

49 (3) ~~The commissioner of insurance, or the~~  
50 ~~commissioner's designee.~~ An employee of the department

1 of management who has been designated as a risk manager  
2 by the director of the department of management.

3 (5) Two owners or operators appointed by the  
4 governor. ~~One of the owners or operators appointed~~  
5 ~~pursuant to this subparagraph shall have been a~~  
6 ~~petroleum systems insured through the underground~~  
7 ~~storage tank insurance fund as it existed on June 30,~~  
8 ~~2004, or a successor to the underground storage tank~~  
9 ~~insurance fund and shall have been an insured through~~  
10 ~~the insurance account of the comprehensive petroleum~~  
11 ~~underground storage tank fund on or before October~~  
12 ~~26, 1990. One of the owners or operators appointed~~  
13 ~~pursuant to this subparagraph shall be self-insured. as~~  
14 follows:

15 (a) One member shall be an owner or operator who is  
16 self-insured.

17 (b) One member shall be a member of the petroleum  
18 marketers and convenience stores of Iowa or its  
19 designee.

20 Sec. 9. Section 455G.9, subsection 1, paragraphs d  
21 and k, Code 2009, are amended to read as follows:

22 d. One hundred percent of the costs of corrective  
23 action and third-party liability for a release situated  
24 on property acquired by a county for delinquent taxes  
25 pursuant to chapters 445 through 448, for which a  
26 responsible owner or operator able to pay, other  
27 than the county, cannot be found. A county is not  
28 a "responsible party" for a release in connection  
29 with property which it acquires in connection with  
30 delinquent taxes, and does not become a responsible  
31 party by sale or transfer of property so acquired. In  
32 such situations, the board may act as an agent for  
33 the county. Actual corrective action on the site  
34 shall be overseen by the department, the board, and  
35 a certified groundwater professional. Third-party  
36 liability specifically excludes any claim, cause of  
37 action, or suit, for personal injury including, but  
38 not limited to, loss of use or of private enjoyment,  
39 mental anguish, false imprisonment, wrongful entry or  
40 eviction, humiliation, discrimination, or malicious  
41 prosecution. Reasonable acquisition costs do not  
42 include any taxes or costs related to the collection  
43 of taxes.

44 k. Pursuant to an agreement between the board and  
45 the department of natural resources, assessment and  
46 corrective action arising out of releases at sites for  
47 which a no further action certificate has been issued  
48 pursuant to section 455B.474, when the department  
49 determines that an unreasonable risk to public health  
50 and safety may still exist or that previously reported

1 upon applicable target levels have been exceeded. At  
2 a minimum, the agreement shall address eligible costs,  
3 contracting for services, and conditions under which  
4 sites may be reevaluated.

5 Sec. 10. Section 455G.9, subsection 4, Code 2009,  
6 is amended to read as follows:

7 4. Minimum copayment schedule.

8 a. An owner or operator shall be required to pay  
9 the greater of five thousand dollars or eighteen  
10 percent of the first eighty thousand dollars of the  
11 total costs of corrective action for that release,  
12 except for an innocent landowner claim in which case a  
13 copayment is not required.

14 b. If a site's actual expenses exceed eighty  
15 thousand dollars, the remedial account shall pay the  
16 remainder, as required by federal regulations, of  
17 the total costs of the corrective action for that  
18 release, not to exceed one million dollars, except that  
19 a county shall not be required to pay a copayment in  
20 connection with a release situated on property acquired  
21 in connection with delinquent taxes, as provided in  
22 subsection 1, paragraph "d", unless subsequent to  
23 acquisition the county actively operates a tank on the  
24 property for purposes other than risk assessment, risk  
25 management, or tank closure.

26 Sec. 11. Section 455G.9, subsection 7, Code 2009,  
27 is amended to read as follows:

28 7. Expenses of cleanup not required. When an  
29 owner or operator who is eligible for benefits under  
30 this chapter is allowed by the department of natural  
31 resources to monitor in place, the expenses incurred  
32 for cleanup beyond the level required by the department  
33 of natural resources ~~are not~~ may be covered under any  
34 of the accounts established under the fund only if  
35 approved by the board as cost-effective relative to  
36 the department accepted monitoring plan or relative  
37 to the repeal date specified in section 424.19. The  
38 cleanup expenses incurred for work completed beyond  
39 what is required is the responsibility of the person  
40 contracting for the excess cleanup. The board shall  
41 seek to terminate the responsible party's environmental  
42 liabilities at such sites prior to the board ceasing  
43 operation.

44 Sec. 12. EFFECTIVE UPON ENACTMENT AND RETROACTIVE  
45 APPLICABILITY. The section of this division of this  
46 Act amending section 455G.9, subsection 4, being deemed  
47 of immediate importance, takes effect upon enactment  
48 and applies retroactively to January 1, 2010.

49 DIVISION ii  
50 BONDING AUTHORITY



1 Sec. 13. Section 455G.2, subsection 1, Code 2009,  
2 is amended by striking the subsection.

3 Sec. 14. Section 455G.2, subsection 3, Code 2009,  
4 is amended to read as follows:

5 3. "Bond" means a bond, note, or other obligation  
6 issued by the authority treasurer of state for the fund  
7 and the purposes of this chapter.

8 Sec. 15. Section 455G.3, subsection 2, Code 2009,  
9 is amended to read as follows:

10 2. The board shall assist Iowa's owners and  
11 operators of petroleum underground storage tanks in  
12 complying with federal environmental protection agency  
13 technical and financial responsibility regulations  
14 by establishment of the Iowa comprehensive petroleum  
15 underground storage tank fund. The authority treasurer  
16 of state may issue its bonds, or series of bonds, to  
17 assist the board, as provided in this chapter.

18 Sec. 16. Section 455G.6, subsections 7 through 9,  
19 Code Supplement 2009, are amended to read as follows:

20 7. The board may contract with the  
21 authority treasurer of state for the  
22 authority treasurer of state to issue bonds and do  
23 all things necessary with respect to the purposes  
24 of the fund, as set out in the contract between the  
25 board and the authority treasurer of state. The  
26 board may delegate to the authority treasurer of  
27 state and the authority treasurer of state shall  
28 then have all of the powers of the board which are  
29 necessary to issue and secure bonds and carry out the  
30 purposes of the fund, to the extent provided in the  
31 contract between the board and the authority treasurer  
32 of state. The authority treasurer of state may  
33 issue the authority's treasurer of state's bonds  
34 in principal amounts which, in the opinion of the  
35 board, are necessary to provide sufficient funds for  
36 the fund, the payment of interest on the bonds, the  
37 establishment of reserves to secure the bonds, the  
38 costs of issuance of the bonds, other expenditures  
39 of the authority treasurer of state incident to and  
40 necessary or convenient to carry out the bond issue  
41 for the fund, and all other expenditures of the board  
42 necessary or convenient to administer the fund.  
43 The bonds are investment securities and negotiable  
44 instruments within the meaning of and for purposes of  
45 the uniform commercial code, chapter 554.

46 8. Bonds issued under this section are payable  
47 solely and only out of the moneys, assets, or revenues  
48 of the fund, all of which may be deposited with  
49 trustees or depositories in accordance with bond  
50 or security documents and pledged by the board to



1 the payment thereof, and are not an indebtedness  
2 of this state ~~or the authority~~, or a charge against  
3 the general credit or general fund of the state ~~or~~  
4 ~~the authority~~, and the state shall not be liable for  
5 any financial undertakings with respect to the fund.  
6 Bonds issued under this chapter shall contain on their  
7 face a statement that the bonds do not constitute an  
8 indebtedness of the state ~~or the authority~~.

9 9. The proceeds of bonds issued by the  
10 ~~authority~~ treasurer of state and not required for  
11 immediate disbursement may be deposited with a trustee  
12 or depository as provided in the bond documents  
13 and invested in any investment approved by the  
14 ~~authority~~ treasurer of state and specified in the trust  
15 indenture, resolution, or other instrument pursuant  
16 to which the bonds are issued without regard to any  
17 limitation otherwise provided by law.

18 Sec. 17. Section 455G.6, subsection 10, paragraph  
19 b, Code Supplement 2009, is amended to read as follows:

20 b. Negotiable instruments under the laws of  
21 the state and may be sold at prices, at public or  
22 private sale, and in a manner, as prescribed by the  
23 ~~authority~~ treasurer of state. Chapters 73A, 74, 74A  
24 and 75 do not apply to their sale or issuance of the  
25 bonds.

26 Sec. 18. Section 455G.6, subsection 12, Code  
27 Supplement 2009, is amended to read as follows:

28 12. Bonds must be authorized by a trust  
29 indenture, resolution, or other instrument of the  
30 ~~authority~~ treasurer of state, approved by the board.  
31 However, a trust indenture, resolution, or other  
32 instrument authorizing the issuance of bonds may  
33 delegate to an officer of the issuer the power to  
34 negotiate and fix the details of an issue of bonds.

35 Sec. 19. Section 455G.7, Code Supplement 2009, is  
36 amended to read as follows:

37 455G.7 Security for bonds -- capital reserve fund --  
38 irrevocable contracts.

39 1. a. For the purpose of securing one or more  
40 issues of bonds for the fund, the ~~authority~~ treasurer  
41 of state, with the approval of the board, may authorize  
42 the establishment of one or more special funds, called  
43 "capital reserve funds". The ~~authority~~ treasurer  
44 of state may pay into the capital reserve funds the  
45 proceeds of the sale of its bonds and other money  
46 which may be made available to the ~~authority~~ treasurer  
47 of state from other sources for the purposes of the  
48 capital reserve funds. Except as provided in this  
49 section, money in a capital reserve fund shall be used  
50 only as required for any of the following:

1 a. (1) The payment of the principal of and  
2 interest on bonds or of the sinking fund payments with  
3 respect to those bonds.

4 b. (2) The purchase or redemption of the bonds.

5 e. (3) The payment of a redemption premium  
6 required to be paid when the bonds are redeemed before  
7 maturity.

8 b. However, money in a capital reserve fund shall  
9 not be withdrawn if the withdrawal would reduce the  
10 amount in the capital reserve fund to less than the  
11 capital reserve fund requirement, except for the  
12 purpose of making payment, when due, of principal,  
13 interest, redemption premiums on the bonds, and making  
14 sinking fund payments when other money pledged to the  
15 payment of the bonds is not available for the payments.  
16 Income or interest earned by, or increment to, a  
17 capital reserve fund from the investment of all or part  
18 of the capital reserve fund may be transferred by the  
19 authority treasurer of state to other accounts of the  
20 fund if the transfer does not reduce the amount of the  
21 capital reserve fund below the capital reserve fund  
22 requirement.

23 2. If the authority treasurer of state decides  
24 to issue bonds secured by a capital reserve fund,  
25 the bonds shall not be issued if the amount in the  
26 capital reserve fund is less than the capital reserve  
27 fund requirement, unless at the time of issuance of  
28 the bonds the authority treasurer of state deposits  
29 in the capital reserve fund from the proceeds of the  
30 bonds to be issued or from other sources, an amount  
31 which, together with the amount then in the capital  
32 reserve fund, is not less than the capital reserve fund  
33 requirement.

34 3. In computing the amount of a capital reserve  
35 fund for the purpose of this section, securities in  
36 which all or a portion of the capital reserve fund  
37 is invested shall be valued by a reasonable method  
38 established by the authority treasurer of state.  
39 Valuation shall include the amount of interest earned  
40 or accrued as of the date of valuation.

41 4. In this section, "capital reserve fund  
42 requirement" means the amount required to be on  
43 deposit in the capital reserve fund as of the date of  
44 computation.

45 5. To assure maintenance of the capital reserve  
46 funds, the authority treasurer of state shall, on  
47 or before July 1 of each calendar year, make and  
48 deliver to the governor the authority's treasurer of  
49 state's certificate stating the sum, if any, required  
50 to restore each capital reserve fund to the capital

1 reserve fund requirement for that fund. Within  
2 thirty days after the beginning of the session of the  
3 general assembly next following the delivery of the  
4 certificate, the governor may submit to both houses  
5 printed copies of a budget including the sum, if any,  
6 required to restore each capital reserve fund to the  
7 capital reserve fund requirement for that fund. Any  
8 sums appropriated by the general assembly and paid  
9 to the ~~authority~~ treasurer of state pursuant to this  
10 section shall be deposited in the applicable capital  
11 reserve fund.

12 6. All amounts paid by the state pursuant to this  
13 section shall be considered advances by the state and,  
14 subject to the rights of the holders of any bonds of  
15 the ~~authority~~ treasurer of state that have previously  
16 been issued or will be issued, shall be repaid to the  
17 state without interest from all available revenues of  
18 the fund in excess of amounts required for the payment  
19 of bonds of the ~~authority~~ treasurer of state, the  
20 capital reserve fund, and operating expenses.

21 7. If any amount deposited in a capital reserve  
22 fund is withdrawn for payment of principal, premium,  
23 or interest on the bonds or sinking fund payments with  
24 respect to bonds thus reducing the amount of that fund  
25 to less than the capital reserve fund requirement, the  
26 ~~authority~~ treasurer of state shall immediately notify  
27 the governor and the general assembly of this event and  
28 shall take steps to restore the capital reserve fund  
29 to the capital reserve fund requirement for that fund  
30 from any amounts designated as being available for such  
31 purpose.

32 Sec. 20. Section 455G.8, subsection 2, Code 2009,  
33 is amended to read as follows:

34 2. Statutory allocations fund. The moneys  
35 credited from the statutory allocations fund under  
36 section 321.145, subsection 2, paragraph "a", shall  
37 be allocated, consistent with this chapter, among  
38 the fund's accounts, for debt service and other fund  
39 expenses, according to the fund budget, resolution,  
40 trust agreement, or other instrument prepared or  
41 entered into by the board or ~~authority~~ treasurer of  
42 state under direction of the board.

43 Sec. 21. REPEAL. Section 16.151, Code 2009, is  
44 repealed.

45 Sec. 22. REPEAL. 1989 Iowa Acts, chapter 131,  
46 section 63, as amended by 2009 Iowa Acts, chapter 184,  
47 section 39, is repealed.

48 Sec. 23. EFFECTIVE UPON ENACTMENT. This division  
49 of this Act, being deemed of immediate importance,  
50 takes effect upon enactment.>

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Page 11

- 1 2. Title page, line 2, after <fund> by inserting
- 2 <and including effective date and retroactive
- 3 applicability provisions>
- 4 3. By renumbering as necessary.

By S. OLSON of Clinton

**H-8352** FILED MARCH 8, 2010

**HOUSE FILE 2456**

**H-8359**

- 1 Amend the Senate amendment, **H-8251**, to House File
- 2 2456, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, after line 6 by inserting:
- 5 <\_\_\_\_. Page 2, after line 21 by inserting:
- 6 <7. A peace officer shall not detain a person
- 7 solely for a suspected violation of this section. This
- 8 section is enforceable by a peace officer only as a
- 9 secondary action when the driver of a motor vehicle is
- 10 detained for a suspected violation of another provision
- 11 of this chapter, an equivalent local ordinance, or
- 12 other law.>>
- 13 2. By renumbering as necessary.

By ALONS of Sioux

**H-8359** FILED MARCH 8, 2010

**HOUSE FILE 2481**

**H-8354**

- 1 Amend the amendment, **H-8300**, to **House File 2481** as
- 2 follows:
- 3 1. Page 1, by striking lines 2 through 15 and
- 4 inserting:
- 5 <\_\_\_\_. Page 27, after line 27 by inserting:
- 6 <Sec. \_\_\_\_\_. Section 483A.8, subsection 3, paragraph
- 7 c, Code Supplement 2009, is amended to read as follows:
- 8 c. The commission shall annually limit to
- 9 ~~six~~ twelve thousand the number of nonresidents allowed
- 10 to have antlered or any sex deer hunting licenses. Of
- 11 the ~~six~~ twelve thousand nonresident antlered or any sex
- 12 deer hunting licenses issued, not more than thirty-five
- 13 percent of the licenses shall be bow season licenses.
- 14 After the ~~six~~ twelve thousand antlered or any sex
- 15 nonresident deer hunting licenses have been issued,
- 16 all additional licenses shall be issued for antlerless
- 17 deer only. The commission shall annually determine the
- 18 number of nonresident antlerless deer only deer hunting
- 19 licenses that will be available for issuance.>>

By PETTENGILL of Benton

**H-8354** FILED MARCH 8, 2010

SENATE FILE 2109

H-8358

1 Amend Senate File 2109, as passed by the Senate, as  
2 follows:

3 1. Page 1, line 9, after <or 321.333> by inserting  
4 <, or section 321.372, subsection 3,>

5 2. Title page, line 2, by striking <device or  
6 signal> and inserting <device, an official traffic  
7 control signal, or a school bus stop arm>

8 3. By renumbering as necessary.

COMMITTEE ON JUDICIARY

SWAIM of Davis, Chairperson

H-8358 FILED MARCH 8, 2010

SENATE FILE 2200

H-8363

1 Amend Senate File 2200, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by striking lines 20 through 22 and  
4 inserting <probate court. The court shall inform  
5 the proposed guardian of the guardian's reporting  
6 duties under section 633.669 and other duties under  
7 the probate code. Upon transferring jurisdiction, the  
8 court shall direct the probate clerk, once the proposed  
9 guardian has filed an oath of office and identification  
10 in accordance with section 602.6111, to issue letters  
11 of appointment for guardianship and docket the case in  
12 probate. Notwithstanding contrary provisions under  
13 chapter 633 or other provision of law, docketing of  
14 the case and other public disclosure of identifying  
15 information concerning the case shall be subject to  
16 section 232.147 and other confidentiality provisions  
17 of this chapter for cases not involving juvenile  
18 delinquency.>

By HUSER of Polk

H-8363 FILED MARCH 8, 2010

SENATE FILE 2201

H-8353

1 Amend Senate File 2201, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 11, after line 9 by inserting:

4 <Sec. \_\_\_\_\_. NEW SECTION. 514C.6A Exemption from  
5 chapter requirements.

6 1. Notwithstanding any other provision of this  
7 chapter, a third-party payor as defined in section  
8 514C.6 may issue a basic policy, contract, or plan  
9 providing for third-party payment or prepayment of  
10 health or medical expenses that does not provide  
11 coverage for some or any of the special health and  
12 accident insurance coverages required by this chapter  
13 or does not meet some or any of the other requirements  
14 contained in this chapter.

15 2. This section applies to third-party payment  
16 provider policies, contracts, or plans that are  
17 delivered, issued for delivery, continued, or renewed  
18 in this state on or after January 1, 2011.>

19 2. Title page, line 5, after <associations,> by  
20 inserting <special health and accident insurance  
21 coverages,>

22 3. By renumbering as necessary.

**By** PETTENGILL of Benton

H-8353 FILED MARCH 8, 2010

H-8368

1 Amend Senate File 2235, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. By striking everything after the enacting clause  
4 and inserting:  
5 <Section 1. NEW SECTION. 216A.105 Deliverable  
6 fuels -- mandatory delivery -- qualifications.  
7 1. A deliverable fuel vendor engaged in the  
8 business of providing deliverable fuel to customers in  
9 this state shall not withhold the sale or delivery of  
10 deliverable fuel to a customer between November 1 and  
11 April 1 annually if the customer makes a cash payment  
12 for deliverable fuel in the amount of five hundred  
13 dollars; or, if the fuel is propane, the cash payment  
14 shall be five hundred dollars or an amount equal to  
15 the price in effect at the time of delivery for three  
16 hundred gallons of propane, whichever is greater.  
17 2. A deliverable fuel vendor providing deliverable  
18 fuel to a customer may apply a customer's cash payment  
19 pursuant to subsection 1 as follows:  
20 a. Seventy-five percent toward the current  
21 deliverable fuel sale or delivery.  
22 b. Twenty-five percent toward any unpaid balance.  
23 3. A customer shall be responsible for the  
24 reasonable cost of system safety checks conducted by  
25 a deliverable fuel vendor, unless the cost is paid  
26 for with program funds. System safety check payments  
27 shall be in addition to, and shall not reduce, the cash  
28 payment otherwise available for deliverable fuel sale  
29 or delivery. A propane vendor conducting a system  
30 safety check shall inform customers of the existence  
31 of projects developed by the Iowa propane education  
32 and research council to provide assistance to persons  
33 eligible for the program, if applicable, based upon the  
34 results of the safety check.  
35 4. A customer of a deliverable fuel vendor with an  
36 unpaid balance owing to that vendor shall not attempt  
37 to obtain deliverable fuel from another vendor pursuant  
38 to this section unless and until a reasonable payment  
39 arrangement for paying off the unpaid balance has been  
40 entered into between the customer and the deliverable  
41 fuel vendor. The division shall provide assistance in  
42 facilitating a reasonable payment arrangement.  
43 5. A deliverable fuel vendor is not prohibited  
44 from withholding the sale or delivery of deliverable  
45 fuel to a customer who cannot make a cash payment for  
46 deliverable fuel as required in subsection 1.  
47 6. For the purposes of this section, unless the  
48 context otherwise requires:  
49 a. "Customer" means an existing customer of a  
50 deliverable fuel vendor who has qualified for the

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1 federal low-income home energy assistance program for  
2 the purchase or delivery of deliverable fuel.

3 b. "Deliverable fuel" means propane or any other  
4 heating fuel sold and delivered in this state for home  
5 heating purposes.

6 c. "Deliverable fuel vendor" means a retail propane  
7 marketer or marketer of a deliverable fuel other than  
8 propane that has agreed to participate in the federal  
9 low-income home energy assistance program.

10 d. "Program" means the federal low-income home  
11 energy assistance program.

12 e. "Propane" and "retail propane marketer" mean the  
13 same as defined in section 101C.2.

14 Sec. 2. REPEAL. Section 101C.14, Code 2009, is  
15 repealed.

16 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being  
17 deemed of immediate importance, takes effect upon  
18 enactment.>

19 2. Title page, by striking line 2 and inserting:  
20 <under specified circumstances, and>

By WAGNER of Linn

**H-8368** FILED MARCH 8, 2010

**SENATE FILE 2265**

**H-8364**

1 Amend the amendment, **H-8341**, to **Senate File 2265**,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 2, by striking lines 31 and 32 and  
5 inserting:

6 <12. The task force is dissolved upon submission  
7 of the report to the governor and the general assembly  
8 under subsection 11.>

By GRASSLEY of Butler

**H-8364** FILED MARCH 8, 2010

**SENATE FILE 2265**

**H-8365**

1 Amend **Senate File 2265**, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 15, line 34, after <force.> by inserting  
4 <The rebuild Iowa office and the department of  
5 management shall not hire additional employees  
6 or contract with any person to provide such staff  
7 assistance and administrative support. Additionally,  
8 notwithstanding any provision of law to the contrary,  
9 the rebuild Iowa office and the department of  
10 management shall not be appropriated and shall not  
11 permit the expenditure of moneys related to the duties  
12 of the task force.>

By Wagner of Linn

**H-8365** FILED MARCH 8, 2010

SENATE FILE 2265

H-8366

1 Amend Senate File 2265, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 15, line 32, by striking <rebuild Iowa  
4 office and the>

5 2. Page 16, line 3, by striking <rebuild Iowa  
6 office> and inserting <department of management>

**By** WAGNER of Linn

H-8366 FILED MARCH 8, 2010

H-8369

1 Amend the amendment, H-8341, to Senate File 2265,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. By striking page 1, line 3, through page 2, line  
5 34, and inserting:

6 <\_\_\_\_. By striking everything after the enacting  
7 clause and inserting:

8 <Section 1. NEW SECTION. 18B.1 Iowa smart planning  
9 principles.

10 It is the intent of the general assembly that this  
11 section assist state agencies, local governments,  
12 and other public entities during consideration and  
13 development of innovative planning strategies and  
14 policies to reduce the impact of future natural  
15 disasters, promote growth, protect natural resources,  
16 and safeguard the quality of life for all Iowans.  
17 Nothing in this section shall be construed to limit  
18 the authority of a state agency, local government,  
19 or other public entity relating to planning, zoning,  
20 development, and resource management. State agencies,  
21 local governments, and other public entities may  
22 consider and apply the following principles during  
23 deliberation of all appropriate planning, zoning,  
24 development, and resource management decisions:

25 1. Collaboration. Governmental, community, and  
26 individual stakeholders, including those outside  
27 the jurisdiction of the entity, are encouraged to be  
28 involved and provide comment during deliberation of  
29 planning, zoning, development, and resource management  
30 decisions and during implementation of such decisions.  
31 The state agency, local government, or other public  
32 entity is encouraged to develop and implement a  
33 strategy to facilitate such participation.

34 2. Efficiency, transparency, and  
35 consistency. Planning, zoning, development, and  
36 resource management should be undertaken to provide  
37 efficient, transparent, and consistent outcomes.  
38 Individuals, communities, regions, and governmental  
39 entities should share in the responsibility to promote  
40 the equitable distribution of development benefits and  
41 costs.

42 3. Clean, renewable, and efficient  
43 energy. Planning, zoning, development, and resource  
44 management should be undertaken to promote clean and  
45 renewable energy use and increased energy efficiency.

46 4. Occupational diversity. Planning, zoning,  
47 development, and resource management should promote  
48 increased diversity of employment and business  
49 opportunities, promote access to education and  
50 training, expand entrepreneurial opportunities,

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1 and promote the establishment of businesses in  
2 locations near existing housing, infrastructure, and  
3 transportation.

4 5. Revitalization. Planning, zoning, development,  
5 and resource management should facilitate the  
6 revitalization of established town centers and  
7 neighborhoods by promoting development that conserves  
8 land, protects historic resources, promotes pedestrian  
9 accessibility, and integrates different uses of  
10 property. Remediation and reuse of existing sites,  
11 structures, and infrastructure is preferred over new  
12 construction in undeveloped areas.

13 6. Housing diversity. Planning, zoning,  
14 development, and resource management should encourage  
15 diversity in the types of available housing, support  
16 the rehabilitation of existing housing, and promote the  
17 location of housing near public transportation.

18 7. Community character. Planning, zoning,  
19 development, and resource management should promote  
20 activities and development that are consistent with the  
21 character and architectural style of the community and  
22 should respond to local values regarding the physical  
23 character of the community.

24 8. Natural resources and agricultural protection.  
25 Planning, zoning, development, and resource management  
26 should emphasize protection, preservation, and  
27 restoration of natural resources, agricultural  
28 land, and cultural and historic landscapes, and  
29 should increase the availability of open spaces and  
30 recreational facilities.

31 9. Sustainable design. Planning, zoning,  
32 development, and resource management should promote  
33 developments, buildings, and infrastructure that  
34 utilize sustainable design and construction standards  
35 and conserve natural resources by reducing waste and  
36 pollution through efficient use of land, energy, water,  
37 and materials.

38 10. Transportation diversity. Planning, zoning,  
39 development, and resource management should promote  
40 expanded transportation options for residents of  
41 the community. Consideration should be given to  
42 transportation options that maximize mobility, reduce  
43 congestion, conserve fuel, and improve air quality.

44 11. For purposes of this section:

45 a. "Development" means any of the following:

46 (1) Construction, reconstruction, renovation,  
47 mining, extraction, dredging, filling, excavation, or  
48 drilling activity or operation.

49 (2) Man-made changes in the use or appearance of  
50 any structure or in the land itself.

1 (3) The division or subdivision of land.

2 (4) Any change in the intensity of use or the use  
3 of land.

4 b. "Development" does not include any of the  
5 following:

6 (1) Activities on or uses of agricultural land,  
7 farm houses, or agricultural buildings or structures,  
8 unless such buildings or structures are located in the  
9 flood plain of a river or stream.

10 (2) Installation, operation, and maintenance of  
11 soil and water conservation practices.

12 (3) The choice of crops or a change in the choice  
13 of crops on agricultural land.

14 Sec. 2. Section 28I.4, Code 2009, is amended to  
15 read as follows:

16 28I.4 Powers and duties.

17 1. The commission shall have the power and duty  
18 to make comprehensive studies and plans for the  
19 development of the area it serves which will guide  
20 the unified development of the area and which will  
21 eliminate planning duplication and promote economy and  
22 efficiency in the ~~co-ordinated~~ coordinated development  
23 of the area and the general welfare, convenience,  
24 safety, and prosperity of its people. The plan or  
25 plans collectively shall be known as the regional  
26 or metropolitan development plan. The plans for  
27 the development of the area may include, but shall  
28 not be limited to, recommendations with respect to  
29 existing and proposed highways, bridges, airports,  
30 streets, parks and recreational areas, schools and  
31 public institutions and public utilities, public  
32 open spaces, and sites for public buildings and  
33 structures; districts for residence, business,  
34 industry, recreation, agriculture, and forestry; water  
35 supply, sanitation, drainage, protection against floods  
36 and other disasters; areas for housing developments,  
37 slum clearance and urban renewal and redevelopment;  
38 location of private and public utilities, including  
39 but not limited to sewerage and water supply systems;  
40 and such other recommendations concerning current  
41 and impending problems as may affect the area served  
42 by the commission. Time and priority schedules  
43 and cost estimates for the accomplishment of the  
44 recommendations may also be included in the plans.

45 The plans may be made with consideration of the smart  
46 planning principles under section 18B.1. The plans  
47 shall be based upon and include appropriate studies  
48 of the location and extent of present and anticipated  
49 populations; social, physical, and economic resources,  
50 problems and trends; and governmental conditions and

1 trends. The commission is also authorized to make  
2 surveys, land-use studies, and urban renewal plans,  
3 provide technical services and other planning work  
4 for the area it serves and for cities, counties, and  
5 other political subdivisions in the area. A plan or  
6 plans of the commission may be adopted, added to,  
7 and changed from time to time by a majority vote of  
8 the planning commission. The plan or plans may in  
9 whole or in part be adopted by the governing bodies of  
10 the ~~co-operating~~ cooperating cities and counties as  
11 the general plans of such cities and counties. The  
12 commission may also assist the governing bodies and  
13 other public authorities or agencies within the area it  
14 serves in carrying out any regional plan or plans, and  
15 assist any planning commission, board or agency of the  
16 cities and counties and political subdivisions in the  
17 preparation or effectuation of local plans and planning  
18 consistent with the program of the commission. The  
19 commission may ~~co-operate~~ cooperate and confer, as far  
20 as possible, with planning agencies of other states or  
21 of regional groups of states adjoining its area.

22 2. A planning commission formed under the  
23 provisions of this chapter shall, upon designation as  
24 such by the governor, serve as a district, regional, or  
25 metropolitan agency for comprehensive planning for its  
26 area for the purpose of carrying out the functions as  
27 defined for such an agency by federal, state, and local  
28 laws and regulations.

29 Sec. 3. Section 329.3, Code 2009, is amended to  
30 read as follows:

31 329.3 Zoning regulations -- powers granted.

32 Every municipality having an airport hazard area  
33 within its territorial limits may adopt, administer,  
34 and enforce in the manner and upon the conditions  
35 prescribed by this chapter, zoning regulations for such  
36 airport hazard area, which regulations may divide such  
37 area into zones and, within such zones, specify the  
38 land uses permitted, and regulate and restrict, for the  
39 purpose of preventing airport hazards, the height to  
40 which structures and trees may be erected or permitted  
41 to grow. Regulations adopted under this chapter  
42 may be made with consideration of the smart planning  
43 principles under section 18B.1.

44 Sec. 4. Section 335.5, Code 2009, is amended to  
45 read as follows:

46 335.5 Objectives.

47 1. The regulations shall be made in accordance  
48 with a comprehensive plan and designed to preserve  
49 the availability of agricultural land; to consider  
50 the protection of soil from wind and water erosion;

1 to encourage efficient urban development patterns; to  
2 lessen congestion in the street or highway; to secure  
3 safety from fire, flood, panic, and other dangers; to  
4 protect health and the general welfare; to provide  
5 adequate light and air; to prevent the overcrowding  
6 of land; to avoid undue concentration of population;  
7 to promote the conservation of energy resources; to  
8 promote reasonable access to solar energy; and to  
9 facilitate the adequate provision of transportation,  
10 water, sewerage, schools, parks, and other public  
11 requirements. However, provisions of this section  
12 relating to the objectives of energy conservation  
13 and access to solar energy shall not be construed as  
14 voiding any zoning regulation existing on July 1, 1981,  
15 or to require zoning in a county that did not have  
16 zoning prior to July 1, 1981.

17 2. Such The regulations shall be made with  
18 reasonable consideration, among other things, as to the  
19 character of the area of the district and the peculiar  
20 suitability of such area for particular uses, and  
21 with a view to conserving the value of buildings and  
22 encouraging the most appropriate use of land throughout  
23 such county.

24 3. The regulations may be made with consideration  
25 of the smart planning principles under section 18B.1.

26 Sec. 5. Section 414.3, Code 2009, is amended to  
27 read as follows:

28 414.3 Basis of regulations.

29 1. The regulations shall be made in accordance  
30 with a comprehensive plan and designed to preserve  
31 the availability of agricultural land; to consider  
32 the protection of soil from wind and water erosion;  
33 to encourage efficient urban development patterns;  
34 to lessen congestion in the street; to secure safety  
35 from fire, flood, panic, and other dangers; to promote  
36 health and the general welfare; to provide adequate  
37 light and air; to prevent the overcrowding of land; to  
38 avoid undue concentration of population; to promote the  
39 conservation of energy resources; to promote reasonable  
40 access to solar energy; and to facilitate the adequate  
41 provision of transportation, water, sewerage, schools,  
42 parks, and other public requirements. However,  
43 provisions of this section relating to the objectives  
44 of energy conservation and access to solar energy do  
45 not void any zoning regulation existing on July 1,  
46 1981, or require zoning in a city that did not have  
47 zoning prior to July 1, 1981.

48 2. Such The regulations shall be made with  
49 reasonable consideration, among other things, as to the  
50 character of the area of the district and the peculiar



1 suitability of such area for particular uses, and  
2 with a view to conserving the value of buildings and  
3 encouraging the most appropriate use of land throughout  
4 such city.

5 3. The regulations may be made with consideration  
6 of the smart planning principles under section 18B.1.>  
7 \_\_\_\_\_. Title page, by striking lines 1 through 4  
8 and inserting <An Act establishing smart planning  
9 principles for state agencies, local governments, and  
10 other public entities.>>

11 2. By renumbering as necessary.

**By** HELLAND of Polk  
WAGNER of Linn

SENATE FILE 2310

H-8360

1 Amend Senate File 2310, as passed by the Senate, as  
2 follows:  
3 1. Page 1, line 24, by striking <461.3> and  
4 inserting <461.31>  
5 2. Page 2, by striking lines 27 through 29.  
6 3. Page 2, line 30, by striking <2.> and inserting  
7 <1.>  
8 4. Page 2, line 34, by striking <3.> and inserting  
9 <2.>  
10 5. Page 2, line 35, by striking <2> and inserting  
11 <1>  
12 6. Page 3, by striking line 2 and inserting <of  
13 trust fund moneys distributed to the Iowa resources  
14 enhancement and protection fund or any one account  
15 established>  
16 7. Page 3, lines 5 and 6, by striking <together  
17 with the treasurer of state and the auditor of state>  
18 8. Page 3, by striking lines 10 through 13.  
19 9. Page 3, line 14, by striking <2.> and inserting  
20 <1.>  
21 10. Page 3, line 19, by striking <3.> and inserting  
22 <2.>  
23 11. Page 3, by striking lines 22 and 23 and  
24 inserting <The department of revenue, the department  
25 of agriculture and>  
26 12. Page 3, after line 27 by inserting:  
27 <Sec. \_\_\_\_\_. NEW SECTION. 461.24 Public listing.  
28 The department of natural resources, the department  
29 of agriculture and land stewardship, and the department  
30 of transportation shall cooperate to publish and  
31 maintain a public listing of how moneys contained in  
32 the natural resources and outdoor recreation trust  
33 fund as created in section 461.31 are distributed and  
34 spent during the course of each fiscal year. The  
35 departments shall designate one of the departments  
36 to be responsible for publishing and maintaining the  
37 public listing on the internet site operated by that  
38 department.>  
39 13. By striking page 4, line 35, through page 5,  
40 line 2, and inserting:  
41 <a. The establishment, maintenance, restoration,  
42 improvement, or enhancement of state parks, state  
43 preserves, state forests, wildlife areas, wildlife  
44 habitats, native prairies, and wetlands.>  
45 14. Page 5, by striking line 13.  
46 15. Page 8, by striking lines 10 through 12 and  
47 inserting <maintenance, improvement, and expansion of  
48 land trails.>  
49 16. Page 8, by striking lines 32 through 34 and  
50 inserting <to dedicate a portion of state revenue for

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1 the benefit of the state's natural resources, as passed  
2 for>  
3 17. By renumbering as necessary.

**By** BELL of Jasper

H-8360 FILED MARCH 8, 2010

SENATE FILE 2317

H-8370

1 Amend Senate File 2317, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by striking lines 6 through 9.  
4 2. By renumbering as necessary.

**By** KUHN of Floyd

H-8370 FILED MARCH 8, 2010

SENATE FILE 2343

H-8355

1 Amend Senate File 2343, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, before line 1 by inserting:

4 <Section 1. Section 46.3, Code 2009, is amended to  
5 read as follows:

6 46.3 Appointment of district judicial nominating  
7 commissioners.

8 1. The governor shall appoint five eligible  
9 electors of each judicial election district to the  
10 district judicial nominating commission.

11 2. ~~Appointments~~ The appointments made by the  
12 governor shall be to staggered terms of six years each  
13 and shall be made in the month of January for terms  
14 commencing February 1 of even-numbered years.

15 3. ~~No more than a~~ A simple majority of the  
16 commissioners appointed shall be of the same gender.

17 4. Beginning with terms commencing February 1,  
18 2012, there shall not be more than one appointed  
19 commissioner from a county within a judicial election  
20 district unless each county within the judicial  
21 election district has an appointed or elected  
22 commissioner or the number of appointed commissioners  
23 exceeds the number of counties within the judicial  
24 election district. This subsection shall not be used  
25 to remove an appointed commissioner from office prior  
26 to the expiration of the commissioner's term.>

27 2. Page 1, lines 4 and 5, by striking <for up to  
28 one hundred eighty days>

29 3. Page 1, line 8, after <occur.> by inserting <For  
30 each of the first five delays ordered by the chief  
31 justice in the fiscal year beginning July 1, 2010,  
32 and for each of the first five delays ordered by the  
33 chief justice in each fiscal year thereafter, the delay  
34 shall not exceed one hundred eighty days. For each  
35 delay ordered by the chief justice in excess of the  
36 first five delays in the fiscal year beginning July 1,  
37 2010, and for each delay ordered by the chief justice  
38 in excess of the first five delays in each fiscal year  
39 thereafter, the delay shall not exceed one year.>

40 4. Page 1, lines 11 and 12, by striking <for up to  
41 one hundred eighty days>

42 5. Page 1, line 14, after <judgeship.> by inserting  
43 <For each of the first five delays ordered by the chief  
44 justice in the fiscal year beginning July 1, 2010,  
45 and for each of the first five delays ordered by the  
46 chief justice in each fiscal year thereafter, the delay  
47 shall not exceed one hundred eighty days. For each  
48 delay ordered by the chief justice in excess of the  
49 first five delays in the fiscal year beginning July 1,  
50 2010, and for each delay ordered by the chief justice

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1 in excess of the first five delays in each fiscal year  
2 thereafter, the delay shall not exceed one year.>

3 6. Page 1, lines 19 and 20, by striking <for up to  
4 one hundred eighty days>

5 7. Page 1, line 21, after <term.> by inserting <For  
6 each of the first five delays ordered by the chief  
7 justice in the fiscal year beginning July 1, 2010,  
8 and for each of the first five delays ordered by the  
9 chief justice in each fiscal year thereafter, the delay  
10 shall not exceed one hundred eighty days. For each  
11 delay ordered by the chief justice in excess of the  
12 first five delays in the fiscal year beginning July 1,  
13 2010, and for each delay ordered by the chief justice  
14 in excess of the first five delays in each fiscal year  
15 thereafter, the delay shall not exceed one year.>

16 8. By renumbering as necessary.

COMMITTEE ON JUDICIARY

SWAIM of Davis, Chairperson

H-8355 FILED MARCH 8, 2010

SENATE FILE 2346

H-8362

1 Amend Senate File 2346, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, line 24, by striking <insured purchased>  
4 and inserting <insurer offers>

5 2. Page 1, line 34, by striking <more> and  
6 inserting <less>

COMMITTEE ON COMMERCE

PETERSEN of Polk, Chairperson

H-8362 FILED MARCH 8, 2010

SENATE FILE 2351

H-8357

1 Amend Senate File 2351, as passed by the Senate, as  
2 follows:  
3 1. Page 2, after line 25 by inserting:  
4 <Sec. \_\_\_\_\_. DOMESTIC ABUSE INTERIM STUDY.  
5 1. The legislative council is requested to  
6 authorize a study for the 2010 legislative interim on  
7 domestic abuse. The study recommendations and findings  
8 shall include but are not limited to the following  
9 domestic abuse issues:  
10 a. The supervision and monitoring of persons  
11 charged with or convicted of a violation of a criminal  
12 no-contact order or a civil protective order in a  
13 domestic abuse case.  
14 b. The availability of domestic abuse shelters and  
15 support services including life skill services for  
16 victims of domestic abuse.  
17 c. Prohibiting a person who is the subject of  
18 criminal no-contact order or a protective order or who  
19 has been convicted of a misdemeanor crime of domestic  
20 violence from possessing, transferring, or selling  
21 firearms and ammunition or offensive weapons.  
22 d. Domestic abuse protective orders and animals  
23 owned or held by a petitioner, respondent, or minor  
24 child of the petitioner or respondent in domestic abuse  
25 cases.  
26 e. The issuance of a protective order or approval  
27 of a consent agreement in domestic abuse, harassment,  
28 and stalking cases.  
29 2. The study shall be conducted by a legislative  
30 study committee consisting of seven members of the  
31 general assembly, representing both political parties  
32 and both houses of the general assembly. Four members  
33 shall be members of the house of representatives  
34 and three members shall be members of the senate. A  
35 chairperson or co-chairpersons shall be designated by  
36 the legislative council.  
37 3. The study report, including findings and  
38 recommendations, shall be submitted to the general  
39 assembly in January of 2011, for consideration during  
40 the 2011 legislative session.>  
41 2. Title page, line 2, after <penalty> by inserting  
42 <and providing for a study>

COMMITTEE ON JUDICIARY

SWAIM of Davis, Chairperson

H-8357 FILED MARCH 8, 2010

SENATE FILE 2352

H-8356

1 Amend Senate File 2352, as passed by the Senate, as  
2 follows:

3 1. Page 3, after line 5 by inserting:

4 <c. If an arrest warrant has been issued for  
5 or charges are pending against the person, but no  
6 court order exists requiring notification to a law  
7 enforcement agency under paragraph "a" or "b", and if  
8 the peace officer delivers the person to a facility or  
9 hospital and the peace officer notifies the facility  
10 or hospital in writing on a form prescribed by the  
11 department of public safety that the facility or  
12 hospital notify the law enforcement agency about  
13 the discharge of the person prior to discharge, the  
14 facility or hospital shall do all of the following:

15 (1) Notify the dispatch of the law enforcement  
16 agency that employs the peace officer by telephone  
17 prior to the discharge of the person from the facility  
18 or hospital.

19 (2) Notify the law enforcement agency that employs  
20 the peace officer by electronic mail prior to the  
21 discharge of the person from the facility or hospital.>

22 2. Page 3, by striking lines 11 through 15 and  
23 inserting <is sooner dismissed by a magistrate. If  
24 a person is to be discharged prior to the end of  
25 the period of time prescribed for detention by this  
26 subsection, the facility or hospital shall notify, if  
27 required by this section, the law enforcement agency  
28 requesting notification prior to the discharge of the  
29 person. The law enforcement agency shall have up to  
30 six hours after notification to retrieve the person but  
31 in no circumstances shall the detention of the person  
32 exceed the period of time prescribed for detention by  
33 this subsection. The facility or hospital may provide  
34 treatment which>

35 3. Page 3, line 26, by striking <the order of the  
36 magistrate> and inserting <this section>

37 4. Page 4, by striking lines 1 through 4 and  
38 inserting <immediately detained, or if the person  
39 was discharged prior to the end of the period of  
40 time prescribed for detention by this subsection,  
41 the facility or hospital was required to notify  
42 a law enforcement agency by this section, the law  
43 enforcement agency requesting notification prior  
44 to discharge retrieved the person within six hours  
45 of the notification, and the detention prior to the  
46 retrieval of the person did not exceed the period of  
47 time prescribed for detention by this subsection.>

48 5. Page 4, before line 5 by inserting:

49 <Sec. \_\_\_\_\_. Section 229.22, Code Supplement 2009, is  
50 amended by adding the following new subsections:

H-8356



1 NEW SUBSECTION. 5. The department of public  
2 safety shall prescribe the form to be used when a law  
3 enforcement agency desires notification under this  
4 section from a facility or hospital prior to discharge  
5 of a person admitted to the facility or hospital and  
6 for whom an arrest warrant has been issued or against  
7 whom charges are pending. The form shall be consistent  
8 with all laws, regulations, and rules relating to the  
9 confidentiality or privacy of personal information  
10 or medical records, including but not limited to the  
11 federal Health Insurance Portability and Accountability  
12 Act of 1996, Pub. L. No. 104-191, and regulations  
13 promulgated in accordance with that Act and published  
14 in 45 C.F.R. pts. 160-64.

15 NEW SUBSECTION. 6. A facility or hospital,  
16 which has been notified by a peace officer or a law  
17 enforcement agency by delivery of a form as prescribed  
18 by the department of public safety indicating that  
19 an arrest warrant has been issued for or charges are  
20 pending against a person admitted to the facility or  
21 hospital, that does not notify the law enforcement  
22 agency about the discharge of the person as required by  
23 subsection 2, paragraph "c", shall pay a civil penalty  
24 as provided in section 805.8C, subsection 8.

25 Sec. \_\_\_\_\_. Section 805.8C, Code Supplement 2009, is  
26 amended by adding the following new subsection:

27 NEW SUBSECTION. 8. Notification violations. For  
28 violations of section 229.22, subsection 6, the  
29 scheduled fine is one thousand dollars for a first  
30 violation and two thousand dollars for a second or  
31 subsequent violation. The scheduled fine under this  
32 subsection is a civil penalty, and the criminal penalty  
33 surcharge under section 911.1 shall not be added to the  
34 penalty.>

35 6. Title page, line 2, after <impairment> by  
36 inserting <, and providing penalties>

37 7. By renumbering as necessary.

COMMITTEE ON JUDICIARY

SWAIM of Davis, Chairperson

H-8356 FILED MARCH 8, 2010

SENATE FILE 2357

H-8361

1 Amend Senate File 2357, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 2, by striking lines 7 and 8 and inserting  
4 <offensive weapon, or ammunition is guilty of any of  
5 the following:

6 a. A simple misdemeanor if the offense involves  
7 ammunition.

8 b. A serious misdemeanor if the offense involves a  
9 firearm or offensive weapon.>

10 2. By renumbering as necessary.

By HAGENOW of Polk

H-8361 FILED MARCH 8, 2010

SENATE FILE 2357

H-8367

1 Amend Senate File 2357, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, after line 25 by inserting:  
4 <Sec. \_\_\_\_\_. Section 708.7, subsection 1, paragraph  
5 a, Code Supplement 2009, is amended by adding the  
6 following new subparagraph:  
7 NEW SUBPARAGRAPH. (5) Knowingly provides false or  
8 misleading information in order to procure a protective  
9 order referred to in section 724.26, subsection 2.>  
10 2. Page 2, line 3, after <2.> by inserting <a.>  
11 3. Page 2, after line 8 by inserting:  
12 <b. Except as provided in paragraph "c", a person  
13 who knowingly provides false or misleading information  
14 in order to procure a protective order referred to  
15 in this subsection shall, in addition to any other  
16 penalty, be guilty of harassment pursuant to section  
17 708.7.  
18 c. A person who knowingly provides false or  
19 misleading information in order to procure a protective  
20 order referred to in this subsection that results in  
21 the deprivation of a firearm, offensive weapon, or  
22 ammunition necessary for the person who is the subject  
23 of the protective order to maintain the person's  
24 livelihood and the person providing such false or  
25 misleading information could have reasonably foreseen  
26 the loss of the other person's livelihood shall,  
27 in addition to any other penalty, be guilty of a  
28 fraudulent practice in the first degree as defined in  
29 section 714.9.>  
30 4. By renumbering as necessary.

By TYMESON of Madison

H-8367 FILED MARCH 8, 2010

SENATE FILE 2357

H-8371

1 Amend Senate File 2357, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, before line 1 by inserting:  
4 <Section 1. Section 236.2, subsection 2, paragraph  
5 b, Code Supplement 2009, is amended to read as follows:  
6 b. The assault is between separated spouses or  
7 persons divorced from each other and not residing  
8 together at the time of the assault. For purposes of  
9 this section, "spouse" means a spouse of a marriage  
10 that is valid pursuant to chapter 595.>  
11 2. By renumbering as necessary.

By HAGENOW of Polk

H-8371 FILED MARCH 8, 2010



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**SF 2274** – Military Education Benefits (LSB 5248SV)

Analyst: Sue Lerdal (Phone: 515-281-7794) (sue.lerdal@legis.state.ia.us)

Fiscal Note Version – As amended by the Senate

Requested by Representative Elesha Gayman

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**Description**

**Senate File 2274**, as amended and passed by the Senate, makes various changes relating to eligibility for certain education benefits for spouses or dependent children of certain qualified military persons at higher education institutions in the State. The Bill also requires the Board of Educational Examiners to assign staff to assist qualified persons with nontraditional licensure.

The Bill creates a National Security Education Program Working Group within the Department of Education and requires a Veterans and Dependent Children Postsecondary Undergraduate Education Benefits Study by the Department of Veterans Affairs.

**Background**

Certain higher education benefits were amended to include children and spouses of a defined qualified military person effective in FY 2010. This Bill would include only dependent children and includes those on active duty that are stationed in Iowa or adds a spouse and dependent children for certain education benefits. Current law requires the qualified military person to be domiciled in Iowa. This Bill requires Iowa residency for at least one year or to have filed an Iowa tax return in the previous 12 months.

**Assumptions**

- A minimal number of spouses or dependent children will continue to be enrolled and retain resident tuition status at one of the Board of Regents institutions after the transfer, deployment, or restationing of the qualified military member. The Regents institutions do not increase the tuition rate for a dependent child under current administrative rules once the child is enrolled based on the change of residence of a parent.
- Community colleges, Board of Regents institutions, and private institutions of higher education in the State would provide qualified persons the existing refunding of tuition and fees, course completion opportunities, and course grade options currently provided to the qualified military member at no additional cost to the colleges or institutions.
- The Board of Educational Examiners would complete the requirements of this Bill with existing resources and staff.
- The Department of Education would convene the required national security education program working group in collaboration with the Board of Regents using existing resources.
- The Department of Veterans Affairs would conduct the required study utilizing existing information and research from the Board of Regents, Department of Education, and other postsecondary stakeholders to minimize the cost to the Department of Veterans Affairs.

**Fiscal Impact**

This Bill has minimal fiscal impact.

**Sources**

Board of Regents  
Department of Education  
Board of Educational Examiners

/s/ Holly M. Lyons

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March 8, 2010

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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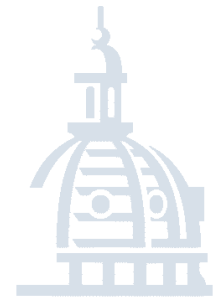


LEGISLATIVE  
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# Fiscal Note

*Fiscal Services Division*



## **HF 2502** – Public Retirement Systems (LSB 5346HV)

Analyst: Jennifer Acton (Phone: 515-281-7846) (jennifer.acton@legis.state.ia.us)

Fiscal Note Version – New

### **Description**

**House File 2502** makes various changes to public retirement systems including the Peace Officers' Retirement System (PORS), the Iowa Public Employee Retirement System (IPERS), and the Statewide Fire and Police Retirement System.

### **Overall Fiscal Impact Summary of **HF 2502****

Fiscal Impact Summary										
FY 2011	Employee				Employer				Total	
	State	County	City	Other	State	County	City	Other		
POR System	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	Pension Fund (950,000)
IPERS	0	0	0	0	0	0	0	0	0	General Fund 135,000
411 System	0	0	0	0	0	0	0	0	0	0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	45,000 (753,159)
										\$ (618,159)
FY 2012	Employee				Employer				Total	
	State	County	City	Other	State	County	City	Other		
POR System	\$ 210,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,000	Pension Fund (950,000)
IPERS	23,880,068	5,740,600	5,245,008	6,433,601	35,820,103	8,610,899	7,867,512	9,650,402	103,248,193	General Fund 0
411 System	0	0	0	0	0	0	0	0	0	0
Total	\$ 24,090,068	\$ 5,740,600	\$ 5,245,008	\$ 6,433,601	\$ 35,820,103	\$ 8,610,899	\$ 7,867,512	\$ 9,650,402	\$ 103,458,193	45,000 (750,000)
										\$ (750,000)
FY 2013	Employee				Employer				Total	
	State	County	City	Other	State	County	City	Other		
POR System	\$ 210,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,000	Pension Fund (950,000)
IPERS	24,994,472	6,008,494	5,489,775	6,733,836	37,810,108	9,089,283	8,304,596	10,186,536	108,617,100	General Fund 5,000,000
411 System	0	0	0	0	0	0	0	0	0	(1,950,000,000)*
Total	\$ 25,204,472	\$ 6,008,494	\$ 5,489,775	\$ 6,733,836	\$ 37,810,108	\$ 9,089,283	\$ 8,304,596	\$ 10,186,536	\$ 108,827,100	45,000 (750,000)
										\$ 4,250,000

Note

\* Includes \$750.0 million for the reduction in the unfunded actuarial liability (UAL) and a reduction of \$1.2 billion in the present value of future benefits.

### **Division I - Peace Officers Retirement System (PORS)**

#### **Section 8 - Increase the employee contribution rate by 0.5% each year for four years beginning July 1, 2011.**

#### **Assumptions**

- As of July 1, 2009, there were 662 active members in the PORS and 538 retired members and beneficiaries.
- As of the July 1, 2009, per the Actuarial Valuation Report for the PORS, covered wages were reported at \$41.9 million.
- For FY 2010, the contribution rate is 21.00% for the employer and 9.35% for the employee.
- Under current law, the employer's contribution rate for the PORS is as follows:
  - FY 2011 – 23.0%
  - FY 2012 – 25.0%
  - FY 2013 – 27.0% or the normal contribution rate, whichever is less, for each year on or after July 1, 2012.

## **Fiscal Impact**

The increase in the employee contribution rate by 0.5% for four years beginning July 1, 2011, is an estimated increase in contributions of \$210,000 per year for a total of \$840,000 by FY 2015.

### **0.5% Employee Contribution Rate Increase**

<b>Fiscal Year</b>	<b>Contribution Rate</b>	<b>Increase</b>
2011	9.35%	\$ 0
2012	9.85%	\$ 210,000
2013	10.35%	\$ 420,000
2014	10.85%	\$ 630,000
2015	11.35%	\$ 840,000

Section 7 increases the employer contribution rate as follows:

- FY 2013 – 27.0%
- FY 2014 – 29.0%
- FY 2015 – 31.0%
- FY 2016 – 33.0%
- FY 2017 – 35.0%
- FY 2018 – 37.0% or the normal contribution rate, whichever is less, for each year on or after July 1, 2017.

The 2.0% increase in the employer contribution rate is an increase of approximately \$800,000 per year, based on current covered wages. The employer contribution is paid from the State General Fund.

***Sections 10, 11, and 15 - Allows members of PORS to purchase permissive service credit for eligible qualified service based on the actuarial cost of the service minus a credit for contributions made to the 411 System when the person was a member of that System. A report must be filed by July 1, 2011.***

## **Background**

There are five employees in the Department of Public Safety (DPS) with service in the 411 System, prior to January 1, 1992, that were not eligible to transfer service credit to the PORS. Portability between the two Systems was not in place until 1996.

Each of these members resigned from the 411 System prior to being vested (15 years at that time). The vesting and refund rules were such at the time that these members were not entitled to any of their contributions. Language was changed after July 1, 1990, to allow any member that terminated service from the 411 System to withdraw their contributions in total from their date of hire through their termination date.

[Senate File 2199](#) (enacted in 2006) allowed the purchase of permissive service credit during the period of July 1, 2006, through June 30, 2007. One of the five employees purchased two years of service totaling \$57,000.

## **Assumptions**

1. The cost to purchase years of service is based on the member's current salary, current age, and date of hire and will be paid by the member.
2. There are five members with a total of 31 years of service and all eligible years of service will be purchased.
3. There will be a credit for the contributions members did not receive back from the 411 System of approximately \$4,400 for each year of service. The remaining amount will be paid by the member.

## **Fiscal Impact**

The estimated cost of purchasing the years of service, plus interest, is approximately \$1.3 million. The estimated cost to provide a credit for the contributions that the members did not receive back from the 411 System is approximately \$135,000 or \$4,400 in credit for each year of service purchased. The remaining \$1.2 million would be paid by the employees. The estimate is based on the best available calculations and would require an actuarial study.

Section 15 for the purchase of eligible service credit, establishes a standing unlimited appropriation for an amount equal to that portion of the actuarial cost of the permissive service credit purchase for eligible service credit. The cost is estimated to be \$135,000.

***Section 13 – Beginning July 1, 2012 (FY 2013), a General Fund appropriation of \$5.0 million per year is made until the PORS Fund reaches an 85.0% funded ratio.***

#### **Assumptions**

The current funded ratio of the PORS Fund is 69.4%.

#### **Fiscal Impact**

The fiscal impact is a \$5.0 million appropriation from the General Fund beginning in FY 2013 to the PORS Fund annually until the PORS Fund reaches a funding ratio of at least 85.0%.

***Section 17 - Changes the escalation amount for POR members from compounding each year to a set escalation amount in five year increments.***

#### **Background**

Under current law, after a member retires, an adjustment is applied to the member's pension each July 1. The adjustment is based on the number of years the members has been retired and results in an increase in the monthly pension payment by an amount between \$15 and \$35. Over a 25 year retirement, the adjustment results in a cumulative increase of approximately \$82,500.

The PORS has two cost of living adjustments. One is based on the earnings of a current, active member [Code Section 97A.6(14)(1)(a)] and the second is based on the number of years since retirement [Code Section 97A.6(14)(2)(a)]. Members of the PORS do not receive social security benefits for their PORS covered earnings.

#### **Assumptions**

1. The actuarial value of the escalator is 2.24% of covered wages for the PORS.
2. As of July 1, 2009, per the Actuarial Valuation Report for the PORS, the covered payroll was \$41.9 million.
3. There are currently 538 retired members of the PORS.
4. [House File 2502](#) provides an additional \$15 for the first five years, \$20 for years 6-10, \$25 for years 11-15, \$30 for years 16-20, and \$35 for the remaining five years for an annual total of \$7,500 per employee.

#### **Fiscal Impact**

The change in escalation is a decrease of \$75,000 for a member surviving 25 years beyond their retirement date. The flat escalator language provides the PORS a savings of future benefits payable totaling approximately \$950,000 per year due to the elimination of compounding of the amounts indicated in Code Section 97A.14.

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### ***Division II - Iowa Public Employee Retirement System (IPERS)***

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***Sections 19, 21, 22, and 30 – The Bill makes the following changes (effective July 1, 2012):***

- ***Increases the vesting requirement from four years to seven years.***



- ***Calculates retirement benefits using a member's high five years of salary instead of the current three years.***
- ***Implements a 6.0% per year reduction in retirement benefits for each year the member receives a retirement allowance before age 65 when a member retires prior to normal retirement age.***

### **Background**

Currently members vest at four years of completed service or at age 55 if active (making contributions to the plan). A vested member, meeting retirement eligibility requirements, is entitled to a lifetime retirement benefit based on a formula. Vested members also may purchase service credits. Vested members that leave IPERS covered employment and take a refund receive a portion of the employer's contributions made on their behalf plus interest. A member is always entitled to 100.0% of their own contributions and interest earnings.

The Legislative Interim Committee recommendation maintains a spiking control included in current law by adjusting it for the change to a five-year final average salary. Spiking occurs when wages are inflated and, as a result, the retirement benefit increases beyond what it would have been if wages increased incrementally as expected. The spiking control works by comparing the average wage with the wages for next highest year that is outside the average. Currently, the final average wage is compared to 121.0% of the fourth highest year's wages. The recommended change compares the final average wage to 134.0% of the sixth highest year. The benefit calculation uses whichever figure is lower. This continues to allow a wage increase of 10.0% a year.

Current law reduces the benefits of anyone that retires before meeting one of the normal retirement eligibility requirements by 3.0% a year. The current 3.0% a year reduction is figured from the nearest normal retirement eligibility. The recommendation proposes a reduction in benefits of 6.0% per year for a member that retires before meeting one of the normal retirement eligibility requirements. The reduction is applied from age 65.

### **Assumptions**

1. Benefit changes apply only to regular class IPERS members. Regular members include most IPERS members, but do not include sheriffs, deputies, and employees in protection occupations such as correctional officers, town police and firefighters, jailers, emergency medical service providers, and others.
2. Benefit changes are effective July 1, 2012, and are based on an estimated June 30, 2012, estimated valuation using a current valuation model.
3. All actuarial assumptions adopted by the IPERS investment board also apply, such as longevity, the percentage retiring at various ages, and salary increases for active members.
4. A 6.0% adjustment for early retirement reflects the actuarial cost to the system.

## **Fiscal Impact**

The changes:

- a) Reduce the present value of future benefits by \$1.2 billion.
- b) Reduce the normal cost rate by 90 basis points or 0.9%. The normal cost rate funds the increase in the present value of benefits that have accrued for service during a year.
- c) Reduce the unfunded actuarial liability (UAL) by \$750.0 million. The UAL is the difference between the actuarial liability, that portion of the present value of future benefits that will not be paid by future normal costs, and the actuarial value of assets at the same date.

The IPERS cannot provide cost savings for each benefit variable individually as the variables interact with each other and were estimated as a package.

## ***Section 31 – Cancer presumption for members of the IPERS protection occupation group.***

### **Background**

- According to the American Cancer Society, within a person's lifetime, men have a one in two chance of developing an invasive cancer and women have a one in three chance. (Similar information regarding infectious diseases was unavailable).
- The IPERS Protection Occupation group includes 7,112 active members. Of these, 37.0% work for the Iowa Department of Corrections, 18.0% are county jailers, 15.0% are police, 13.0% are emergency management services workers, 8.0% are firefighters, and 9.0% include other occupations such as conservation and transportation officers, airport fire and safety officers, and others.

### **Assumptions**

- The probability of a member becoming disabled is relatively small and the likelihood that the disability falls under the cancer and infectious disease category is even smaller. Few occurrences are expected to occur in future years.
- The additional benefit payable for an in-service retirement is not significantly larger than the benefit payable under an ordinary retirement (60.0% versus 50.0%) and for members with higher years of service (when disability rates are higher), there may be no difference because the full accrued benefit is paid in either scenario.
- The contribution rate for FY 2011 is 11.45%. The employer share is 6.87% and the employee share is 4.58%.

## **Fiscal Impact**

The impact is an increase of 0.07 percentage point in the contribution rate. If the FY 2011 contribution rate included the cancer presumption, it would be 16.66% versus 16.59%. With the cost applied 60.0% to the employer and 40.0% to the employee, adding the cancer presumption would have increased the contribution rates in FY 2011 by .042 percentage point for the employer and .028 percentage point for the employee. Since FY 2011 rates have already been set, the change would be included in future actuarial valuations which determine rates.

## ***Section 33 - Extend the bona fide retirement exception for licensed health care professionals for two years.***

### **Background**

Federal tax law requires qualified retirement plans to have a bona fide retirement period, a set time period when retirees demonstrate they ended employment and are entitled to retirement benefits. The standard bona fide retirement period for IPERS is four months. For the first month, a retiree must not work for an IPERS-covered employer, regardless if the job is IPERS-covered. A retiree also must stay out of an IPERS-covered job for an additional three months.

Current law allows licensed health care professionals to retire with IPERS benefits and return to work in one month. The exception sunsets June 30, 2010. This recommendation extends the exception for two years.

### **Assumptions**

1. A shortened bona fide retirement period may encourage earlier retirements by making it easier for retirees to return to work.
2. Funding is affected when older members re-enter the system compared to younger members with more years to contribute before retirement.
3. The IPERS actuary must complete an experience study of employment and retirement behaviors to determine impact. The study will examine the impact of licensed health care professionals on the actuarial assumptions of expected behavior.

### **Fiscal Impact**

1. Of the 14,748 active IPERS members employed by public hospitals, 7,245 are licensed health care professionals (5,348 active and 1,897 inactive). Of the active members, 1,406 are age 55 or older.
2. Based on a study period from July 1, 2004, through June 30, 2009, of the 491 licensed health care professionals that retired, 117 (23.8%) returned to work.
  - Of the 117 retirees that returned to work, 84 (71.8%) did so in less than four months.
  - Of the 84 that returned to work in less than four months, the median age at retirement was 60 with a median final average salary before retirement of \$46,732 and a median annual retirement benefit of \$24,447.
3. The IPERS actuary conducts an experience study every four years. The next study will be completed in the summer of 2010. IPERS actuary will examine the shortened bona fide retirement period for licensed health care professionals.

***Section 33 - Create a bona fide retirement exception for members called to State active duty with the National Guard with a retroactive effective date of May 25, 2008.***

### **Assumptions**

To date there have been no known bona fide retirement violations as a result of the National Guard calling up members for State Active Duty.

### **Fiscal Impact**

The fiscal impact for the bona fide retirement exception for members called to State Active Duty with the National Guard is anticipated to be minimal.

***Sections 25 and 38 - Increase the total contribution rate to 13.45% beginning July 1, 2011, and allow the system to adjust the rate up or down by no more than one percentage point per year for regular members.***

### **Background**

Under current law, the contribution rate will increase to 11.95% on July 1, 2011, and the maximum annual change is limited to 0.5 percentage point.

### **Assumptions**

1. The contribution rate of 13.45% applies only to regular IPERS members. Regular members include most IPERS members, but do not include sheriffs, deputies, and employees in protection occupations such as correctional officers, town police and firefighters, jailers, emergency medical service providers, and others.
2. The FY 2011 contribution rate for regular membership is set at 11.45%. Under current law, the FY 2012 contribution rate for regular members effective July 1, 2011, would increase 0.5 % to 11.95%, shared between employer and employee as follows:

Employer	7.25%
Employee	4.70%

3. The percentage point limit on the annual contribution rate changes would increase from 0.5% to 1.0% and apply to all IPERS membership classes.
4. All active member counts are based on FY 2009 actuarial data and include all members active anytime during the year.
5. The expected FY 2010 total wages are from the FY 2009 IPERS valuation report completed by Milliman (the IPERS actuarial firm). The FY 2011 through FY 2016 total wages are compounded by 4.0% annually per actuarial assumptions.

### Comparison of 11.95% and 13.45% Rate for FY 2012

OTHER employer type includes municipal utilities, 28E organizations, Area Education Agencies, and miscellaneous small local entities.

## One Percentage Point Increase Per Year

		ACTIVE		MEMBER	EMPLOYER	COMBINED
	EMPLOYER TYPE	MEMBER	TOTAL WAGES	CONTRIBUTION	CONTRIBUTION	RATE
				5.70%	8.75%	14.45%
FY2013	STATE	21,108	\$ 1,310,013,089	\$ 74,670,746	\$ 114,626,145	\$ 189,296,891
FY2013	BOARD OF REGENTS	2,179	57,268,332	3,264,295	5,010,979	8,275,274
FY2013	COUNTY	23,272	995,037,264	56,717,124	87,065,761	143,782,885
FY2013	CITY	23,002	909,134,767	51,820,682	79,549,292	131,369,974
FY2013	SCHOOL	87,734	3,522,002,404	200,754,137	308,175,210	508,929,347
FY2013	COMM. COLLEGE	3,409	164,646,454	9,384,848	14,406,565	23,791,413
FY2013	OTHER	5,535	200,439,161	11,425,032	17,538,427	28,963,459
		166,239	\$ 7,158,541,471	\$ 408,036,864	\$ 626,372,379	\$ 1,034,409,243
Member Averages			\$ 43,062	\$ 2,455	\$ 3,768	\$ 6,222

		ACTIVE		MEMBER	EMPLOYER	COMBINED
	EMPLOYER TYPE	MEMBER	TOTAL WAGES	CONTRIBUTION	CONTRIBUTION	RATE
				6.10%	9.35%	15.45%
FY2014	STATE	21,108	\$ 1,362,413,613	\$ 83,107,230	\$ 127,385,673	\$ 210,492,903
FY2014	BOARD OF REGENTS	2,179	59,559,065	3,633,103	5,568,773	9,201,876
FY2014	COUNTY	23,272	1,034,838,755	63,125,164	96,757,424	159,882,588
FY2014	CITY	23,002	945,500,157	57,675,510	88,404,265	146,079,774
FY2014	SCHOOL	87,734	3,662,882,500	223,435,832	342,479,514	565,915,346
FY2014	COMM. COLLEGE	3,409	171,232,312	10,445,171	16,010,221	26,455,392
FY2014	OTHER	5,535	208,456,728	12,715,860	19,490,704	32,206,564
		166,239	\$ 7,444,883,130	\$ 454,137,871	\$ 696,096,573	\$ 1,150,234,444
Member Averages			\$ 44,784	\$ 2,732	\$ 4,187	\$ 6,919

		ACTIVE		MEMBER	EMPLOYER	COMBINED
	EMPLOYER TYPE	MEMBER	TOTAL WAGES	CONTRIBUTION	CONTRIBUTION	RATE
				6.50%	9.95%	16.45%
FY2015	STATE	21,108	\$ 1,416,910,157	\$ 92,099,160	\$ 140,982,561	\$ 233,081,721
FY2015	BOARD OF REGENTS	2,179	61,941,428	4,026,193	6,163,172	10,189,365
FY2015	COUNTY	23,272	1,076,232,305	69,955,100	107,085,114	177,040,214
FY2015	CITY	23,002	983,320,164	63,915,811	97,840,356	161,756,167
FY2015	SCHOOL	87,734	3,809,397,800	247,610,857	379,035,081	626,645,938
FY2015	COMM. COLLEGE	3,409	178,081,604	11,575,304	17,719,120	29,294,424
FY2015	OTHER	5,535	216,794,997	14,091,675	21,571,102	35,662,777
		166,239	\$ 7,742,678,455	\$ 503,274,100	\$ 770,396,506	\$ 1,273,670,606
Member Averages			\$ 46,576	\$ 3,027	\$ 4,634	\$ 7,662

		ACTIVE		MEMBER	EMPLOYER	COMBINED
	EMPLOYER TYPE	MEMBER	TOTAL WAGES	CONTRIBUTION	CONTRIBUTION	RATE
				6.90%	10.55%	17.45%
FY2016	STATE	21,108	\$ 1,473,586,564	\$ 101,677,473	\$ 155,463,382	\$ 257,140,855
FY2016	BOARD OF REGENTS	2,179	64,419,085	4,444,917	6,796,213	11,241,130
FY2016	COUNTY	23,272	1,119,281,597	77,230,430	118,084,209	195,314,639
FY2016	CITY	23,002	1,022,652,970	70,563,055	107,889,888	178,452,943
FY2016	SCHOOL	87,734	3,961,773,712	273,362,386	417,967,127	691,329,513
FY2016	COMM. COLLEGE	3,409	185,204,869	12,779,136	19,539,114	32,318,250
FY2016	OTHER	5,535	225,466,797	15,557,209	23,786,747	39,343,956
		166,239	\$ 8,052,385,593	\$ 555,614,606	\$ 849,526,680	\$ 1,405,141,286
Member Averages			\$ 48,439	\$ 3,342	\$ 5,110	\$ 8,453

1. All active member counts are based on FY 2009 actuarial data and include all members active anytime during the year.
2. Expected FY 2010 total wages are from Exhibit 11, FY 2009 Valuation report.
3. The FY 2011 through FY 2016 total wages are compounded by 4.0% annually per actuarial assumptions.
4. OTHER employer type includes municipal utilities, 28E organizations, Area Education Agencies, and miscellaneous small local entities.

***Section 36 - Extend the current wage purchase credit rules relative to furloughs for IPERS members for an additional year and allow the rules to apply to union bumping rights with a retroactive effective date of January 1, 2009.***

**Background**

This provision allows IPERS members with reduced wages because of a furlough or mandatory unpaid days, or because of bumping within a layoff plan, to make up both the employer and employee contributions to IPERS for that time. When they make up the contributions, IPERS records the wages at the level they would have been without the loss of pay.

**Assumptions**

1. Employees near retirement would make up contributions to preserve the wages used in the retirement benefit formula and thus maintain the level of retirement benefits they would have received without the reduction in pay.
2. Employees that are not near retirement will not make up IPERS contributions.

**Fiscal Impact**

The cost of extending the current wage purchase credit for furloughs for an additional year and applying it to union bumping rights cannot be determined because IPERS does not know how widespread furloughs will be beyond State government. IPERS does not anticipate major additional costs.

There is a related cost to furloughs because IPERS loses contributions from everyone that is taking a furlough and not retiring. Only those employees retiring will make up lost contributions and will receive a higher benefit because of it.

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***Division III - Municipal Fire and Police Retirement System (411 System)***

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***Section 51 - Create a Benefits Advisory Committee (BAC) Board.***

**Background**

- The current 411 Board meets eight times per year and their budget is \$30,000.
- The IPERS BAC Board meets eight times per year. The IPERS annual budget is \$50,000 for meetings and actuarial studies. In non-retirement years, their expenses are less than in a retirement year. From 2003 through 2009, the BAC Board has averaged \$21,000 in expenditures per year with costs ranging from \$6,000 to \$41,000, depending on the year.
- The IPERS BAC Board was created in 2001. The Committee has nine voting members; seven are elected by the Committee membership. The director of the Iowa Department of Administrative Services is named a voting member in the Iowa Code. The voting members also elect a public member, who cannot be a member of the System. Of the nine voting members of the Committee, four must represent covered employers, four must represent IPERS membership, and one must be a public member. Voting members serve three-year terms.

**Assumptions**

1. The Board will consist of a fire fighter, a police officer, two members from different participating cities of the 411 System, and a citizen appointed by the advisory committee.
2. Actuarial studies can be ordered by the BAC Board. The budgeted amount is \$25,000. Depending on the number of studies requested, this amount may be more or less.
3. The Board will meet up to eight times per year. Costs to operate the Board on an annual basis are estimated to be \$20,000.
4. Requires a comprehensive examination of the plan design with a report due on October 15, 2011.
5. The Board will begin meeting in FY 2011 in preparation for the comprehensive plan design.

### **Fiscal Impact**

The fiscal impact for the creation and implementation of a BAC Board is approximately \$45,000 annually. This includes the costs to operate the Board and provides an estimate for requested actuarial studies. Costs will be paid from the 411 Fund.

### ***Section 54 - Phase-out or eliminate the State's contribution to the 411 System.***

#### **Background**

In 1976, the General Assembly enacted benefit improvements under Chapter 411 and provided the improvements be paid for by the following:

- Additional member contributions at the rate of 1.21%.
- State of Iowa contributions to pay for the cost of benefits above the 1.21% to be determined by an actuarial valuation of cost to each of the 87 local systems for 49 cities.

In 1979, the contribution rate paid by the State of Iowa was calculated at an average for all local systems instead of individual city valuations. The rate was set at 3.79% of earnable compensation.

The standing appropriation is capped in Code Section 8.59.

#### **Assumptions**

1. If the State's contribution to the benefit plan is eliminated, the city contribution rate (as a percent of earnable compensation) and dollars will increase by the corresponding amount.
2. The FY 2010 General Fund contribution was \$2,503,510 (1.08%). After the 10.0% across-the-board reduction, the amount is \$2,253,159.
3. Assumes a 7.5% return on investments.

### **Fiscal Impact**

#### **Phase Out of the State Contribution to the 411 System**

	<b>411 System Standing Appropriation</b>	<b>General Fund Appropriation Reduction</b>
FY 2010	\$ 2,253,159	\$ 0
FY 2011	\$ 1,500,000	\$ 753,159
FY 2012	\$ 750,000	\$ 750,000
FY 2013	\$ 0	\$ 750,000

**Estimated Impact to the Cities Contribution Rate**

<b>Fiscal Year</b>	<b>Current Estimated City Contribution Rate Changes Including the State Appropriation</b>	<b>Estimated City Contribution Rate Changes Without the State Appropriation</b>
2011	19.90%	20.38%
2012	24.91%	25.64%
2013	29.92%	30.90%
2014	35.32%	36.26%
2015	38.55%	39.45%

**Sources**

Iowa Public Employees' Retirement System (IPERS)  
Peace Officers Retirement System (PORS)  
Municipal Police and Fire (411 System)  
League of Cities

/s/ Holly M. Lyons

March 8, 2010

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



## Fiscal Note

*Fiscal Services Division*



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**SF 2265** – Local Government Growth and Development Planning (LSB 5361SV)  
Analyst: Dwayne Ferguson (Phone: 515-281-6561) (dwayne.ferguson@legis.state.ia.us)  
Fiscal Note Version – As amended by the Senate  
Requested by Representative Nick Wagner

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### **Description**

**Senate File 2265**, as amended and passed by the Senate, outlines smart planning principles for use in developing city and county comprehensive plans. Municipalities (defined as cities or counties) are required to consider smart planning and may apply these principles in developing comprehensive plans. The Bill also creates the Iowa Smart Planning Task Force with 27 voting members and four ex-officio members. The Task Force is staffed by the Rebuild Iowa Office and the Department of Management.

### **Assumptions**

- Cities and counties are required to consider smart planning principles when developing comprehensive plans. They are not required to apply the principles. It is assumed that municipalities will utilize smart planning principles when it is their best interest to do so.
- The Bill does not require municipalities to create, update, or change their comprehensive plans.
- Cities and counties are required to make copies of their comprehensive plans available to surrounding cities, counties, public libraries, councils of government, and regional planning commissions. Some municipalities now make their plans available on their websites and this appears to meet the requirements of the Bill. Publication via websites involves minimal costs.
- The Iowa Smart Planning Task Force members will not receive per diem and will not receive reimbursement for expenses.
- The Rebuild Iowa Office and Department of Management will incur opportunity costs for staffing the Task Force but will not require additional funding.

### **Fiscal Impact**

This Bill will create minimal or no cost for cities, counties, or the State General Fund.

### **Sources**

Iowa State Association of Counties  
Iowa League of Cities  
Rebuild Iowa Office

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/s/ Holly M. Lyons

March 8, 2010

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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